Revival of IFCI

35. SHRI JANARDHANA POOJARY: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) the details of the activities financed by IFCI togetherwith the total advances made during the last three years;

(b) whether it is a fact that IFCI is in the red on account of its asset liability mismatch;

(c) if so, the details in this regard;

(d) whether it is a fact that IFCI pays over 13 per cent interest to its lenders over its outstanding liability of Rs. 21,000 crores as against the market rate of 6 per cent; and

(e) what are the packages being considered by Government to revive this institution?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) A Statement consisting details of the activities financed alongwith total advances made by IFCI during the last three years is enclosed. *(See* below)

(b) and (c) With the introduction of financial sector reforms access to long term concessional funds in the form of SLR Bonds was stopeed and IFCI had to raise funds from the market on commercial terms, which were high cost and had shorter maturity, thereby gradually leading to reduced margin whereas IFCI lending to the assisted concerns continued to be for longer periods.

(d) The average cost of borrowings for rupee liabilities of Rs. 17273.18 crores for the year ended 31 st March, 2002 was 13.34% and average cost of borrowings for Foreign Currency borrowings of Rs. 2299.48 crores for the year ended 31 st March, 2002 was 4.98%.

(e) The Government of India in consultation with Public Sector Banks and FIs have agreed to restructure the liabilities of IFCI.

Statement

Purpose-wise sanctions & disbursements during 1999r00, 2000-01, 2001-02, (Apr. Mar.) & 2002-03 (Apr.-Dec.)

(Rs Million)

	1999O0	Sanctions 2000-01 (Apr.-Dec.)	2001-02	2002-03	199*00	Disbursements 200O01 (Apt	2001-02	2002-03 -Dec)
	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
New Proieds	254839	2494 34	804 30	612 65	7242 77	363142	2230 54	127269
1 xpansion Modernisation, Diversification Rehabilitation	1408 79 I	772 97	1021 17	13500	750885	275039	94319	32063
TUFS	262931	20000	000	000	708 80	1546.33	20076	3000
Addl Assistance (Over-run) funding ol Interest	7411 69	531384	43144	363 00	1050965	778994	2706 77	19319
Short Term Products: Corporate 1oan	18320	000	0.00	000	23710	0.00	4643	0.00
Short Term Loan	5000	123895	30000	000	5000	120940	000	000
Working Capital Loan	2034 40	179580	55000	9700	115029	219867	95310	102.89
1 mancial Services	25190	000	000	0.00	160532	11728	000	0.00
fquipment Finance	000	000	000	000	434 88	1289	000	0.00
financial Restructuring	343507	978 63	178947	3015 72	314703	99175	69102	000
Others 6	17200	123084	35 00	3000	41235	1198 49	130 53	10340
Total (A)	20124 75	14025 47	483138	4253 37	33007 04	2144656	790244	2022 80
Treasury Operations	000	000	288500	358000	0.00	000	288500	358000
Grand Total (A+B)	20124 75	14025 47	781636	783337	33007 04	21446 56	1073744	5602 80

@ Includes Balancing Equipment General Corporate Purpose etc

Ensuring loan to educated youths in Kashmir

36. PROF. SAIF-UD-DIN SOZ: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether Government are aware that the Nationalised Banking Sector in Kashmir does not contribute to self employment schemes by provision of credit; and

(b) if so, whether Government would like to intervene in the matter and ensure loans to educated unemployed youths?